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DIARY NOTES

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DD/S

25 July 1961

1. [] were up to talk to me about the need for more personnel for maintenance and for the [] department at the [] - 25X1A6A
[]. I told them that I had not yet read the Management Staff study of this project but that I would do so and try to find some relief.

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2. [] advised me that he was convinced that the present Flexowriters were not secure and that he had recommended that we discontinue their use until we had taken proper measures to make them secure. He also said that CODIB was presenting a recommendation to USIB to the effect that the Community should undertake the R&D in the development of a secure Flexowriter. [] believes that this is not our pigeon and that the National Security Agency or some other Government agency should do this R&D. 25X1A

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3. Ed Saunders reported that he and [] talked to [] and [] about Project []. They were impressed with the Project and thought that it would be worthwhile to continue. However, inasmuch as it is a continuing project they felt very strongly that we should have budgeted for it. Accordingly, they did not wish to approve a release at this time, and we agreed to defer a final decision pending Bob Macy's return and a discussion with him. 25X1A9A 25X1A2D1

4. Jim Garrison reported that he will have a comprehensive report next week on the status of our building funds. This should tell us whether we need to approach the Bureau of the Budget for a release of some of the \$2.3 million held in escrow.

5. Jim advised me that the WH Division has requested that he operate a logistics base []. I told him that I was sympathetic to this idea but that I would like to see something in writing before he started this project. 25X1A

6. I have asked Jim to make a study of our air-conditioning requirements with a view to keeping as many of our window units as possible when we move to the new building. Ordinarily, all such equipment is the property of the Public Buildings Service; however, inasmuch as we paid for every one we have, including the cost of installation, I think that we should be in a very strong position to hold on to them for use at [] or other places where needed. 25X1A9A

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7. Pursuant to my commitment to Stan Beerli I talked to [] about support to covert operations. As I already knew, George feels very strongly that support to covert operations is our primary reason for existence, the commercial aspect being of secondary importance. George also believes that he is getting along well with 25X1

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Stan and that in general the coordination problems are fairly well in hand. I, in turn, called Stan and told him that I had had this conversation with George. This was pursuant to our agreement.

8. The Director buzzed to say that he had decided this was not the time for us to be receiving any publicity which we could avoid and that he therefore desired to postpone the Open House at the new building scheduled for 26 August. I learned later that this was on the recommendation of Stan Grogan. According to Stan the Director really meant "cancel" the operation rather than "postpone" it. In any case, I notified Kirk, Dick Helms, and Bob Amory and requested that they notify their office heads and staff chiefs so that the whole thing could be called off as quickly and quietly as possible. Unfortunately the word already has been spread far and wide and this decision will bring about rampant speculation. H

9. I have discussed with Larry Houston, Emmett Echols, and [] the possibility of detailing [] to the Office of General Counsel for a tour of duty, and this action now has been agreed upon by all concerned.

10. Larry discussed with me the payment of approximately \$300 to an employee [] This is an old claim which [] has raised again with the Director. The Director is anxious to pay it if possible and I told Larry to send me a memorandum recommending that I pay it under my special authority.

11. [] was up to brief me on the [] Plan prepared by the EE Division. He left it with me to read and I told him that I thought Gates Lloyd should read it also when he returns. (I don't think there is any urgency about this, but when Gates can find the time I suggest he give Bob a call and he will bring up the paper.)

12. I talked to [] about his retirement plans and told him that despite the fact that he had ranked low on the "A" Service retention list I would recommend that he be kept on duty until he retired sometime at the end of this year. He seemed to understand and was not at all unhappy about the situation.

13. I talked to Jim Garrison about taking [] into the Career Service of the Office of Logistics until October, 1962, at which time Bill is scheduled to retire. He is willing to do this.

14. Larry Houston reported that Judge Walsh granted our motion of a summary dismissal of the [] case. This means that we have won the first and final round. He also said that he lectured the Defense Attorney on the unnecessary exposure of certain things about the Agency.

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15. Larry told me that the Retirement Board saw no reason to make an exception in the case of [] and that he would advise me of this by a written memorandum. I agreed to write to [] and try to persuade him to start looking for another job right now with the understanding that we would keep him on the rolls for a reasonable length of time in order to permit him to get relocated.

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16. Kirk buzzed to say that we had just received a recommendation from the President's Foreign Intelligence Advisory Board to the effect that we re-examine the feasibility of putting the Clandestine Services into the new building. He is sending a copy to me and to the other Deputies. (On 26 July 1961 I met with [] to Jim Garrison, [] John Warner, [] to discuss this problem. I have asked Bob to give me a paper on the pros and cons from a Security point of view. I have asked John to give me a paper on the legislative history highlighting the problems which might arise with the Congress if we follow this course, and I have asked Jim and H. S. to give me a paper dealing with the administrative feasibility of such a decision. I have contemplated using [] as an assistant in helping me draft a DD/S position.)

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17. Ed Saunders telephoned to say that [] was considering applying for a grade GS-17 position in the Department of the Navy as Assistant Director of Budget and Reports. I told Ed that I saw no prospects of a grade GS-17 for Chuck here and that I would encourage him to explore this if he thought the prospects were good.

LKW:mam

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